

table in advance of the poster. This created some confusion because it was claimed by Ms. Aron and members of her group that it looked like it was their letterhead that was being used to make this point, because now that it was an 8-by-11 piece of paper, it looked like it was a Xerox of their letterhead. I think most people who will look at this document will know that this is not any type of alleged forgery but is in fact a demonstration of how this money laundering scheme works.

Now, my staff ended up answering questions about who prepared the document. We immediately told people when asked at the subcommittee hearing, this is a document that we have prepared, based on research in our subcommittee on how the taxpayer dollars are used. And I apologized later that night to Ms. Aron for any confusion with the use of their letterhead. But nonetheless, the attacks continue because they do not want the American taxpayer to see how their money is being used.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. GIBBONS] is recognized for 5 minutes.

[Mr. GIBBONS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. HAYWORTH] is recognized for 5 minutes.

[Mr. HAYWORTH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I have to say I was amazed to hear the gentleman from Michigan who previously spoke to actually admit that the Republican leadership is using the debt ceiling as leverage in a political way. The effect on the economy, as was mentioned previously by the gentleman from Connecticut, is incredible. To think that the Government might go into default in order to achieve a political purpose on the part of the Republican leadership is incredible to me.

I do not think that the voters last November, when they went to the polls, thought that they were voting to put the Federal Government in debt, into default. I was just reading from American history, remember when I was in grade school, how proud we are that over the history of the American Republic we have never defaulted on our debts and how important it was to just get our financial act together from the beginning of the United States to make sure that we would not default on our debts. Here is a Member of this

body saying that the debt ceiling is being used as leverage in order to accomplish a political purpose. To me it is shocking. I cannot believe that he actually admitted that that is the case.

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. PALLONE. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, is the stated goal of the gentleman from Michigan [Mr. SMITH] to bring about a balanced budget or to bring about political gain with the President of the United States? It is, in my judgment, to bring about a balanced budget. Nothing else has worked.

Mr. PALLONE. Mr. Speaker, reclaiming my time, the point of the matter is that the gentleman from Michigan admitted that he was using the debt ceiling and the possibility of default for political purposes. Even if that political purpose is that somehow he sees in the long run that he is going to balance the budget, the effect of the Government possibly going into default and what that would mean for the economy, what it would mean for the millions of people who would see their interest rates rise and their mortgages have to go up, to me it is just totally irresponsible.

I think that he points out the truth. That is exactly what the Speaker is threatening to do, to let the Government default in order to bully the President into signing his budget bill. I think it is totally uncalled for. At least the gentleman from Michigan was willing to admit it, but it is shocking to me that that is in fact the case.

I wanted to speak, if I could, about the budget bill. As a member of the conference, the bottom line is the House and the Senate, of course, passed different budget bills and now have to get together, and there is a conference for that purpose to try to get the two versions together.

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One of the things that I wanted to mention as a conferee, as a person who is going to be part of that conference, is that if is very possible and, I think to some extent, the Senate is already recognizing it is very possible, to essentially take this budget and minimize the tax cuts for the wealthy and the tax increases on the low- and middle-income working families in order to restore Medicare and Medicaid to programs that continue to provide quality health care. The problem I have right now is that this Republican budget bill essentially is destroying Medicare and Medicaid health care programs for the elderly and also for poor people in this country in order to pay for a tax cut for the wealthy. Medicare is cut \$270 billion; Medicaid, \$270 billion. Medicaid, about \$180 billion, and yet we have a tax cut that primarily goes to wealthy Americans that is \$245 billion.

So, if in conference or if at some time later, after the President vetoes the bill, we actually were to decrease

that tax cut and take back the tax cut from many of the wealthy Americans, we can put more money into Medicare and into Medicaid so that they are continually viable programs, and that is what needs to be done, that is what hopefully this conference will manage to do or ultimately will be accomplished when the President vetoes the bill and it comes back.

I wanted to mention two points, if I could, as part of this Medicare and Medicaid debate. There has already been an effort on the part of the Senate, and if you look at the Senate bill versus the House bill in two areas that I think are very beneficial if we can get these changes, one is that the Senate-passed provisions continue to apply Federal nursing home standards unlike the House bill, and secondly, the Senate-passed provisions require continued Medicaid coverage for low-income pregnant women and children and for disabled persons.

One of the worst aspects of this House bill is that in fact what it does is to take away standards for nursing homes. Essentially what it means is that the nursing homes are up to the will of the State if the State, of New Jersey for example, decides that it does not want to have any kind of standards for nursing home care.

So I am hopeful that, when we get to conference, we can at least address those issues, trying to bring back the nursing home standards and trying to provide some guaranteed coverage for the disabled, for pregnant women, and also for children.

The SPEAKER pro tempore (Mr. ALLARD). Under a previous order of the House, the gentleman from Illinois [Mr. DURBIN] is recognized for 5 minutes.

[Mr. DURBIN addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. SHADEGG] is recognized for 5 minutes.

[Mr. SHADEGG addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

[Mr. MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

QUESTIONS FOR COLIN POWELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, I say to my colleague, "LINCOLN DIAZ-BALART,